

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3625 – HB 3921

March 23, 2010

**SUMMARY OF AMENDMENTS (015514, 015606):** Deletes all language after the enacting clause and changes the standard reference compendia for the mandated coverage of off-label uses of approved drugs to include the United States Pharmacopeia Drug Information, the American Medical Association Drug Evaluations, the American Hospital Formulary Service Drug Information, the National Comprehensive Cancer Network Drugs and Biologics Compendium, the Thompson Micromedex's Drug Dex, or the Elsevier Gold Standard Clinical Pharmacology. Redefines "medical literature" to include a publication in which original manuscripts have been published after having been critically reviewed for scientific accuracy, validity, and reliability by unbiased independent experts, and that has been determined by the International Committee of Medical Journal Editors to have met the Uniform Requirements for manuscripts submitted to biomedical journals. Medical literature does not include publications or supplements to publications that are sponsored to a significant extent by a pharmaceutical manufacturing company or health carrier.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Not Significant  
Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

**Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111):** Such legislation would result in a significant increase in the cost of health insurance premiums for plans that do not currently offer coverage for the off-label use of drugs included in the compendia.

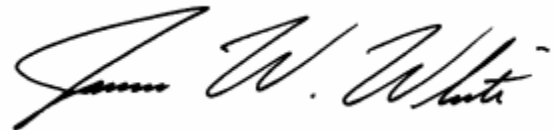
Assumptions applied to amendments:

- According to the Bureau of TennCare, the provisions of this bill as amended do not apply to the TennCare program.

- According to the Department of Finance and Administration, the provisions of the bill as amended do not apply to the state sponsored public sector health plans.
- Any local government that offers health insurance coverage to employees but does not opt into the state sponsored health plans may incur an increase in the drugs covered for off-label uses. Any increase is estimated to not be significant
- There will not be a significant increase to the Department of Commerce and Insurance to administer and enforce the provisions of the bill as amended. Any enforcement will be through complaint investigations and the receipt of any revised forms by insurance companies. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml